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United States Attorney's Office
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News Release

FOR IMMEDIATE RELEASE
Tuesday, March 25, 2008

Burnsville man indicted for preparing false income tax returns

The 2008 tax season is under way, and officials from the United States Attorney's Office and the Internal Revenue Service remind citizens that preparing false income tax returns is a federal crime. A 37-year-old Burnsville man was recently indicted for doing so.

Abdikarim Mohamed was charged March 20 with 32 counts of aiding and abetting in the preparation of false tax returns. Mohamed was arrested today and made his initial appearance in federal court.

Mohamed's indictment alleges that as a tax preparer he prepared and filed on behalf of others false federal and state individual income tax returns for tax years 2002 and 2003 containing claims for refunds totaling more than \$40,000. Mohamed did business in the name of Amal Tax Return in Minneapolis.

The indictment alleges that on 32 tax returns Mohamed prepared a Form 8863, education credits (Hope and Lifetime Learning Credits), on which he claimed false education credits for the taxpayer. On each Form 8863, he falsely claimed the taxpayer had qualified expenses of between \$1,500 and \$2,000, when in fact he knew they had little or no qualified expenses.

In each instance, Mohamed prepared a Form 1040 or Form 1040A, on which he claimed the false education credits from the false Form 8863, the indictment alleges. For each such false tax return, every dollar falsely claimed as a credit also falsely reduced the taxes owed by a dollar.

The indictment also alleges that on four tax returns Mohamed also prepared a Schedule A Itemized Deductions, on which he claimed false deductions on behalf of the taxpayer. These falsely listed deductions, such as for charitable contributions and other expenses, were also listed on the respective clients' Form 1040.

For one client, Mohamed prepared a Form 4136, Credit for Federal Tax Paid on Fuels, on which he claimed false fuel tax credits. The indictment alleges that Mohamed falsely claimed that the taxpayer used 2,400 gallons of gasoline and 2,400 gallons of aviation gasoline for

nontaxable use, when in fact he knew that the taxpayer had not used any gasoline or aviation gasoline for nontaxable uses. These falsely listed credits were also listed on the respective client's Form 1040.

If convicted, Mohamed faces a potential maximum penalty of 3 years in prison on each count. All sentences are determined by a federal district court judge. This case is the result of an investigation by the IRS-Criminal Investigation Division and the Minnesota Department of Revenue, and is being prosecuted by Assistant U.S. Attorney Michael L. Cheever.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.